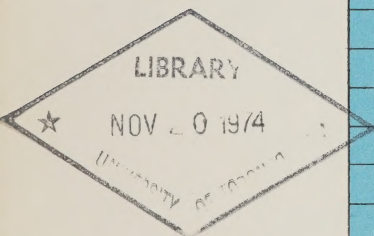


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CORPORATION GROWTH IN ONTARIO , 1973 - 74

MINISTRY OF TREASURY, ECONOMICS
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<u>CONTENTS</u>	PAGE
PREFACE	1
INTRODUCTION	2
DEFINITIONS	3
STATISTICAL HIGHLIGHTS	5
TABLE 1 NEW CORPORATIONS, ONTARIO, 1951-1974	8
2 NEW CORPORATIONS INCORPORATED IN ONTARIO, FISCAL YEARS 1972-73 AND 1973-74	9
3 PER CENT CHANGE IN THE NUMBER OF ACTIVE CORPORATIONS BY YEAR, ONTARIO, 1956-1974	9
4 PER CENT DISTRIBUTION OF ACTIVE CORPORATIONS BY TYPE, ONTARIO, FISCAL YEARS 1972-73 AND 1973-74	11
5 PER CENT CHANGE IN THE NUMBER OF ACTIVE CORPORATIONS BY TYPE, ONTARIO, FISCAL YEARS 1972-73 AND 1973-74	12
6 ACTIVE CORPORATIONS BY JURISDICTION UNDER WHICH INCORPORATED, PER CENT DISTRIBUTION AND PER CENT CHANGE, ONTARIO, FISCAL YEARS 1972-73 AND 1973-74	13
7 NUMBER OF ACTIVE CORPORATIONS BY JURISDICTION UNDER WHICH INCORPORATED, ONTARIO, FISCAL YEARS 1972-73 AND 1973-74	14

SYMBOLS USED IN REPORT

- Nil or zero
- Amount too small to be expressed
- ... Not applicable

PREFACE

This is the fifth statistical report on corporations in Ontario published by the Ontario Statistical Centre, and is the result of a joint effort of the Centre and the Companies Division of the Ministry of Consumer and Commercial Relations.

We are deeply indebted to the Ministry of Consumer and Commercial Relations for their co-operation and participation in this project. Special thanks are due to Mr. C.R.B. Salter, Q.C., Executive Director, Mr. H.H. Ozolins, Director, Administration Branch, and other members of the Companies Division. Only through their unreserved co-operation was the preparation of this report possible.

This report was prepared by the Surveys and Statistical Standards Section of the Ontario Statistical Centre, Ministry of Treasury, Economics and Intergovernmental Affairs.

K. Cheng
Director
Ontario Statistical Centre

September, 1974

INTRODUCTION

This report provides information on the growth of corporations in Ontario, their composition by type and by year, formation of new corporations, and incorporations by jurisdiction. Incorporation by jurisdiction is not synonymous with domestic or foreign ownership. Statistics on the growth of corporations were compiled from the administrative records of the Companies Division, Ministry of Consumer and Commercial Relations.

Data on corporations were prepared as of March 31st, the end of a fiscal year. In the previous issues of this publication, corporations statistics were compiled as of October 31st of each year. Data for the fiscal year ending March 31, 1972, were introduced in the 1971 report.

DEFINITIONS

A corporation is created by filing articles of incorporation; by filing a memorandum of association; or by issuing letters patent of incorporation. The incorporating instrument - articles, memorandum or letters patent, depending upon the particular provincial or federal statute - sets forth the objects of the corporation, and certain provisions for the regulation and conduct of its affairs, and in the case of a corporation with share capital, the amount of capital it is authorized to issue.

There are several types of corporations. The main distinction is between corporations with or without share capital.

In this report, the following definitions will apply:

COMPANY: An Ontario corporation with share capital, other than those listed below.

CORPORATION: A corporation with or without share capital, but in Tables 2, 4 and 5 "corporation" means an Ontario corporation without share capital, other than those listed below.

CREDIT UNION: An Ontario corporation incorporated under The Credit Unions Act.

INSURANCE COMPANY: An Ontario corporation incorporated for the purpose of underwriting insurance of any type under The Insurance Act. Insurance Agents, Brokers or Adjusters are excluded.

MINING COMPANY: An Ontario corporation subject to Part IV of The Corporations Act or the predecessor thereof (Part XI of The Companies Act).

SOCIAL CLUB COMPANY: An Ontario corporation with share capital, having social objects.

SOCIAL CLUB CORPORATION: An Ontario corporation without share capital, having social objects. Service clubs are excluded.

CO-OPERATIVE WITHOUT SHARE CAPITAL: An Ontario co-operative corporation without share capital.

CO-OPERATIVE WITH SHARE CAPITAL: An Ontario co-operative corporation with share capital.

COMPANY WITH AN EXTRA-PROVINCIAL LICENCE: A corporation incorporated outside the Province of Ontario which has an Ontario licence to carry on any of its business in Ontario. Excluded are Quebec and federally incorporated corporations which do not require extra-provincial licences.

CORPORATION HOLDING LICENCE IN MORTMAIN: A corporation with or without share capital, incorporated outside Ontario, which holds licence in Mortmain. Licence in Mortmain empowers a foreign corporation to hold land in Ontario. This includes federally incorporated corporations but excludes corporations incorporated in Quebec on a basis of the reciprocal agreement between the Provinces of Ontario and Quebec.

PRIVATE LOAN COMPANY: An Ontario private loan corporation with limited objects - with power to lend and invest money on mortgage of real estate or otherwise, subject to section 3 of The Corporations Act.

MINING SYNDICATE: An Ontario mining corporation whose existence is limited to three years.

OTHERS: Composed mainly of unlicensed Federal and Quebec corporations with or without share capital, etc.

AMALGAMATION: An Ontario corporation formed from any two or more corporations which combined to operate as one corporation.

REVIVAL: An Ontario corporation reactivated after being dissolved for not filing its annual return under The Corporations Information Act.

STATISTICAL HIGHLIGHTS

During the fiscal year 1973-74, the number of new corporations established in Ontario reached a record level of 16,182. This represented an increase of 3,186 or 24.5% over the previous year. New corporations incorporated in Ontario increased by 25.2% to 15,634. The total number of new corporations incorporated outside Ontario amounted to 548; of these, 280 obtained licences in mortmain and 268 obtained extra-provincial licences (See Table 1).

Table 2 shows that companies (corporations with share capital) comprised a larger proportion of new corporations incorporated in the Province, 94.1% in the fiscal year 1973-74, compared with 93.6% in the fiscal year 1972-73. On the other hand, corporations without share capital constituted 4.6% of the total in the fiscal year 1973-74, compared with 5.4% the previous fiscal year. Amalgamations and revivals accounted for slightly more than 1% of the total new corporations formed in Ontario.

As a consequence of the large increase in the number of new corporations formed, active corporations increased by 8.8%, the biggest yearly gain since 1960. The number of corporations in operation in Ontario reached a total of 145,500 in the fiscal year 1973-74. Although there was no significant change in the composition of active corporations by type in Ontario between the fiscal year 1972-73 and the fiscal year 1973-74, some trends which

were discernible in the last 5 years persisted. Corporations which were incorporated in Ontario continued to increase at a higher rate than those incorporated outside the Province. Consequently they accounted for a larger proportion of the total number of active corporations in Ontario. The largest yearly advance was made by corporations with share capital, an increase of 9.8%. The number of credit unions and mining companies continued to decline, the former by 2.2% and the latter by 4.5%. The decrease in the number of credit unions was caused mainly by amalgamations (See Table 3, 4 and 5).

Tables 6 and 7 show that there has been little change in the distribution of active corporations by jurisdiction (those required to file annual returns under the Corporations Information Act) from the previous fiscal year 1972-73. In the fiscal year 1973-74, 90.1% of the total number of Ontario corporations were incorporated in the Province. Of the remaining 9.9% which were incorporated outside Ontario, 7.7% operated under the federal jurisdiction, 1.3% were incorporated in other provinces of Canada and 0.9% outside Canada. Corporations which were in operation in the Province were incorporated under 78 jurisdictions, compared to 77 in the previous year. In the fiscal year 1973-74, corporations incorporated in Brazil and Portugal were established for the first time in Ontario. During the same period, corporations under Wyoming jurisdiction ceased their operations in Ontario. As in the previous year, Ontario had the biggest gain in absolute number.

The largest percentage increase was achieved by Alberta corporations, followed by corporations under British Columbia jurisdiction. In 1973-74, there were 952 active corporations in Ontario which were incorporated in the United States. Delaware, New York, Ohio, Michigan and Illinois were responsible for a considerable number of United States corporations operating in Ontario. Of the other jurisdictions, Great Britain, Bahama Islands and West Germany emerged as undisputed leaders.

TABLE 1
NEW CORPORATIONS, ONTARIO, 1951-1974

YEAR	CORPORATIONS INCORPORATED IN ONTARIO		CORPORATIONS INCORPORATED OUTSIDE ONTARIO				TOTAL	
			CORPORATIONS HOLDING LICENCE IN MORTMAIN		COMPANIES WITH AN EXTRA-PROVINCIAL LICENCE			
	NUMBER	PER CENT CHANGE	NUMBER	PER CENT CHANGE	NUMBER	PER CENT CHANGE	NUMBER	PER CENT CHANGE
		%		%		%		%
1951	1,779		146		62		1,987	
1952	1,772	- 0.4	164	12.3	69	11.3	2,005	0.9
1953	2,113	19.2	149	- 9.1	99	43.5	2,361	17.8
1954	3,613	71.0	181	21.5	86	-13.1	3,880	64.3
1955	3,811	5.5	249	37.6	110	27.9	4,170	7.5
1956	4,788	25.6	222	-10.8	149	35.5	5,159	23.7
1957	5,219	9.0	232	4.5	128	-14.1	5,579	8.1
1958	4,368	-16.3	203	-12.5	137	7.0	4,708	-15.6
1959	5,916	35.4	175	-13.8	150	9.5	6,241	32.6
1960	6,417	8.5	238	36.0	160	6.7	6,815	9.2
1961	5,736	-10.6	198	-16.8	166	3.8	6,100	-10.5
1962	6,019	4.9	206	4.0	141	-15.1	6,366	4.4
1963	5,903	- 1.9	199	- 3.4	171	21.3	6,273	- 1.5
1964	6,229	5.5	204	2.5	172	0.6	6,605	5.3
1965	7,276	16.8	223	9.3	177	2.9	7,676	16.2
1966	7,309	0.5	244	9.4	193	9.0	7,746	0.9
1967	7,425	1.6	217	-11.1	173	-10.4	7,815	0.9
1968	7,699	3.7	202	- 6.9	185	6.9	8,086	3.5
1969	9,593	24.6	249	23.3	212	14.6	10,054	24.3
1970	8,091	-15.7	290	16.5	273	28.8	8,654	-13.9
1971	9,152	13.1	212	-26.9	266	- 2.6	9,630	11.3
1971-72*	11,030	...	231	...	263	...	11,524	...
1972-73*	12,489	13.2	222	- 3.9	285	8.4	12,996	12.8
1973-74*	15,634	25.2	280	26.1	268	- 6.0	16,182	24.5

Note: Figures for corporations which are not required to hold licence in Ontario are not included.

* Fiscal year ending March 31.

TABLE 2

NEW CORPORATIONS INCORPORATED IN ONTARIO, FISCAL YEARS 1972-73 AND 1973-74

TYPE	1972-73		1973-74		
	NUMBER	PER CENT DISTRIBUTION	NUMBER	PER CENT DISTRIBUTION	PER CENT CHANGE ⁽²⁾
		<u>%</u>		<u>%</u>	<u>%</u>
INCORPORATIONS					
Corporations ⁽¹⁾	675	5.4	724	4.6	7.3
Companies	11,681	93.6	14,707	94.1	25.9
AMALGAMATIONS	79	0.6	89	0.6	12.7
REVIVALS	54	0.4	114	0.7	111.1
TOTAL	12,489	100.0	15,634	100.0	25.2

(1) Without share capital

(2) Per cent change from previous year.

TABLE 3

PER CENT CHANGE IN THE NUMBER OF ACTIVE
CORPORATIONS BY YEAR, ONTARIO, 1956-74

YEAR	NUMBER	PER CENT CHANGE
	<u>000's</u>	<u>%</u>
1956	38	
1957	43	13.2
1958	47	9.3
1959	53	12.8
1960	59	11.3
1961	63	6.8
1962	67	6.3
1963	72	7.5
1964	76	5.6
1965	81	6.6
1966	87	7.4
1967	93	6.9
1968	98	5.4
1969	105	7.1
1970	113	7.6
1971	119	5.3
1971-72*	124.0	...
1972-73*	133.7	7.8
1973-74*	145.5	8.8

* Fiscal year ending March 31.

GROWTH OF CORPORATIONS IN ONTARIO, 1956-1974

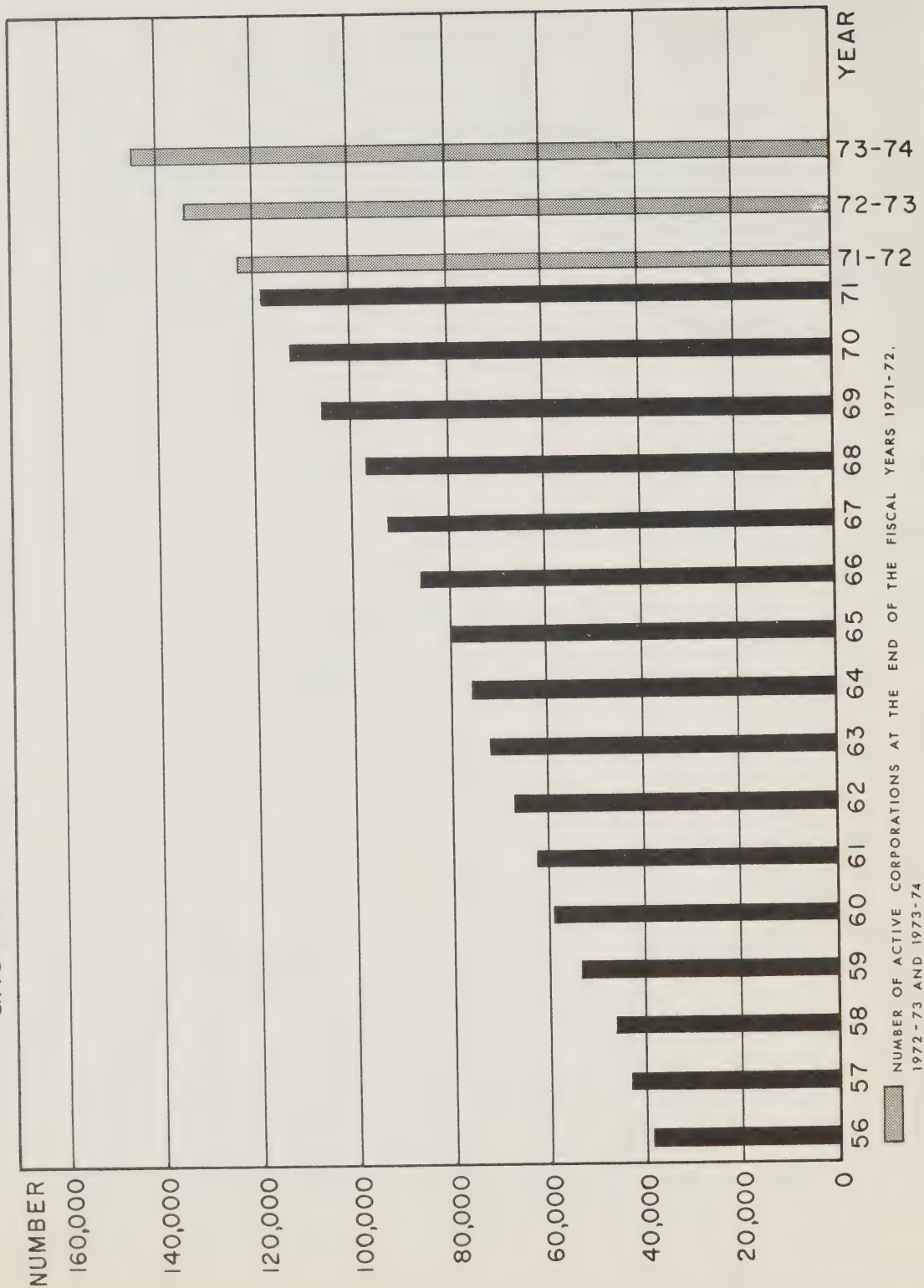


TABLE 4

PER CENT DISTRIBUTION OF ACTIVE CORPORATIONS BY TYPE, ONTARIO, FISCAL YEARS 1972-73 AND 1973-74

TYPE	1972-73		1973-74	
	NUMBER	PER CENT DISTRIBUTION %	NUMBER	PER CENT DISTRIBUTION %
<u>Incorporated in Ontario</u>				
Companies (1)	107,450	80.4	117,937	81.0
Corporations	6,241	4.7	6,768	4.7
Credit Unions	1,431	1.1	1,399	1.0
Insurance Companies	158	0.1	168	0.1
Mining Companies	1,255	0.9	1,198	0.8
Social Club Corporations	287	0.2	287	0.2
Social Club Corporations	2,199	1.6	2,273	1.6
Co-Operatives without				
Share Capital	177	0.1	179	0.1
Co-Operatives with				
Share Capital	125	0.1	128	0.1
Private Loan Companies	493	0.4	504	0.3
Mining Syndicates	2	--	-	-
TOTAL	119,818	89.6	130,841	89.9
<u>Incorporated outside Ontario</u>				
Companies with an Extra-				
Provincial Licence	1,935	1.4	2,032	1.4
Corporations holding	2,955	2.2	3,023	2.1
Licence in Mortmain	8,954	6.8	9,593	6.6
Others				
TOTAL	13,844	10.4	14,648	10.1
GRAND TOTAL	133,662	100.0	145,489	100.0

(1) Without share capital

TABLE 5

PER CENT CHANGE IN THE NUMBER OF ACTIVE CORPORATIONS BY TYPE, ONTARIO, FISCAL YEARS 1972-73 AND 1973-74

TYPE	1972-73	1973-74	
	NUMBER	NUMBER	PER CENT CHANGE ⁽¹⁾
<u>Incorporated in Ontario</u>			<u>%</u>
Companies (2)	107,450	117,937	9.8
Corporations	6,241	6,768	8.4
Credit Unions	1,431	1,399	-2.2
Insurance Companies	158	168	6.3
Mining Companies	1,255	1,198	-4.5
Social Club Corporations	287	287	-
Social Club Corporations	2,199	2,273	3.4
Co-Operatives without Share Capital	177	179	1.1
Co-Operatives with Share Capital	125	128	2.4
Private Loan Companies	493	504	2.2
Mining Syndicates	2	-	-100.0
TOTAL	<u>119,818</u>	<u>130,841</u>	9.2
<u>Incorporated outside Ontario</u>			
Companies with an Extra- Provincial Licence	1,935	2,032	5.0
Corporations holding Licence in Mortmain	2,955	3,023	2.3
Others	8,954	9,593	7.1
TOTAL	<u>13,844</u>	<u>14,648</u>	5.8
GRAND TOTAL	<u>133,662</u>	<u>145,489</u>	8.8

(1) Per cent change from previous year. (2) Without share capital.

TABLE 6

ACTIVE CORPORATIONS (1) BY JURISDICTION UNDER WHICH INCORPORATED
PER CENT DISTRIBUTION AND PER CENT CHANGE, ONTARIO, FISCAL YEARS 1972-73 AND 1973-74

JURISDICTION	1972-73		1973-74		
	NUMBER	PER CENT DISTRIBUTION	NUMBER	PER CENT DISTRIBUTION	PER CENT CHANGE (2)
Canada (federally incorporated)	10,462	8.0	10,898	7.7	4.2
Ontario	118,112	89.7	129,173	90.1	9.4
Quebec	911	0.7	890	0.6	-2.3
British Columbia	375	0.3	417	0.3	11.2
Alberta	301	0.2	341	0.2	13.3
Manitoba	310	0.2	323	0.2	4.2
Saskatchewan	46	--	48	--	4.4
California	47	--	54	--	14.9
Delaware	257	0.2	254	0.2	-1.2
Illinois	57	--	58	--	1.8
Michigan	72	0.1	70	0.1	-2.8
New York	146	0.1	155	0.1	6.2
Ohio	74	0.1	79	0.1	6.8
Great Britain	62	--	64	--	3.2
Others	466	0.4	501	0.4	7.5
TOTAL	131,698	100.0	143,325	100.0	8.8

(1) Only jurisdiction with more than 45 corporations are listed.
(2) Per cent change from previous year.

TABLE 7
NUMBER OF ACTIVE CORPORATIONS⁽¹⁾ BY JURISDICTION UNDER
WHICH INCORPORATED, ONTARIO, FISCAL YEARS 1972-73 AND 1973-74

JURISDICTION	1972-73	1973-74
Canada (federally incorporated)	10,462	10,898
Alberta	301	341
British Columbia	375	417
Manitoba	310	323
Newfoundland	10	9
New Brunswick	33	37
Nova Scotia	38	41
Ontario	118,112	129,173
Prince Edward Island	3	5
Quebec	911	890
Saskatchewan	46	48
CANADA TOTAL	<u>130,601</u>	<u>142,182</u>
U.S.A. (federally incorporated)	2	3
Alabama	1	1
Arizona	2	2
Arkansas	2	2
California	47	54
Colorado	3	4
Connecticut	8	8
Delaware	257	254
District of Columbia	3	3
Florida	13	14
Georgia	3	3
Illinois	57	58
Indiana	16	16
Iowa	10	14
Kansas	2	3
Kentucky	3	5
Louisiana	1	1
Maine	7	6
Maryland	10	10
Massachusetts	12	15
Michigan	72	70
Minnesota	24	27

TABLE 7 - continued - NUMBER OF ACTIVE CORPORATIONS⁽¹⁾ BY JURISDICTION UNDER WHICH INCORPORATED, ONTARIO, FISCAL YEARS 1972-73 AND 1973-74

JURISDICTION	1972-73	1973-74
Missouri	14	13
Nebraska	1	2
Nevada	10	11
New Jersey	27	26
New York	146	155
North Carolina	2	2
North Dakota	2	2
Ohio	74	79
Oklahoma	2	2
Oregon	1	1
Pennsylvania	33	32
Rhode Island	2	1
Tennessee	2	3
Texas	19	20
Vermont	1	1
Virginia	3	2
Washington	5	6
West Virginia	2	2
Wisconsin	19	19
Wyoming	1	-
UNITED STATES TOTAL	<u>921</u>	<u>952</u>
Bahama Islands	31	31
Belgium	1	1
Bermuda	6	8
Brazil	-	1
British Virgin Islands	1	1
Denmark	1	1
France	2	2
Great Britain	62	64
Hong Kong	1	3
Ireland	1	1
Italy	2	2
Jamaica	1	1
Japan	2	3
Liberia	3	2

TABLE 7 - continued - NUMBER OF ACTIVE CORPORATIONS⁽¹⁾ BY JURISDICTION UNDER WHICH INCORPORATED, ONTARIO, FISCAL YEARS 1972-73 AND 1973-74

JURISDICTION	1972-73	1973-74
Liechtenstein	9	9
Mexico	1	1
Netherlands	5	5
New South Wales	1	1
New Zealand	1	1
Panama	10	11
Portugal	-	1
South Korea	1	1
Spain	1	1
Sweden	3	3
Switzerland	9	11
West Germany	21	25
OTHERS TOTAL	<u>176</u>	<u>191</u>
GRAND TOTAL	131,698	143,325

(1) Corporations which are required to submit annual returns under The Corporations Information Act. Corporations which are exempt from filing a return under Section 3 of the Act are excluded.

For copies of this Report, or related statistical
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